



Pillar 3 Disclosures

31 December 2016

(Main Features of Capital Instruments updated as at 21 February 2017)

DBS Group Holdings Ltd
Incorporated in the Republic of Singapore
Company Registration Number: 199901152M

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1 INTRODUCTION

This document contains Pillar 3 disclosures of the Group relating to composition of capital, main features of capital instruments, leverage ratio and quantitative disclosures and is made pursuant to the Monetary Authority of Singapore ("MAS") Notice to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore" ("MAS Notice 637"). For Pillar 3 qualitative disclosures and disclosures relating to remuneration, please refer to the Group's Annual Report.

The Group views the Basel framework as part of continuing efforts to strengthen its risk management culture and ensure that the Group pursues business growth across segments and markets with the appropriate risk management discipline, practices and processes in place.

For the purpose of calculating its risk-weighted assets ("RWA"), the Group applies the Foundation Internal Ratings-Based Approach ("IRBA") to certain wholesale credit exposures, the Advanced IRBA to certain retail credit portfolios and the Standardised Approach ("SA") to all other credit exposures. The Group applies the respective Standardised Approaches for operational and market risks.

2 SCOPE OF CONSOLIDATION

The Group's capital requirements are based on the principles of consolidation adopted in the preparation of its financial statements. The Group's regulatory scope of consolidation is identical to its accounting scope of consolidation. Refer to the financial statements in the Annual Report for the principles of consolidation adopted and the list of subsidiaries and other consolidated entities.

3 CAPITAL ADEQUACY

Please refer to the Full Year 2016 Financial Performance Summary published on the Group's Investor Relations website (<https://www.dbs.com/investor/index.html>) for disclosures on the capital adequacy ratios of the Group and significant banking subsidiaries.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

4 COMPOSITION OF CAPITAL

4.1 Financial Statements and Regulatory Scope of Consolidation

In \$ millions	31 Dec 2016	
	Amount	Cross Reference to Section 4.2
ASSETS		
Cash and balances with central banks	26,840	
Government securities and treasury bills	33,401	
Due from banks	30,018	
Derivatives	25,757	
Bank and corporate securities	45,417	
of which: PE/VC investments held beyond the relevant holding periods	2	a
Loan and advances to customers	301,516	
of which: Impairment allowances admitted as eligible T2 Capital	(1,263)	b
Other assets	11,042	
of which: Deferred tax assets	333	c
Re-grossing of deferred tax assets and deferred tax liabilities as required under MAS Notice 637	138	d
Associates	890	
of which: PE/VC investments in excess of 20% holdings	2	e
of which: Goodwill on acquisition ⁽¹⁾	15	f
Properties and other fixed assets	1,572	
Goodwill and intangibles	5,117	
of which: Goodwill	5,115	g
of which: Intangibles	2	h
TOTAL ASSETS	481,570	
LIABILITIES		
Due to banks	15,915	
Deposits and balances from customers	347,446	
Derivatives	24,497	
Other liabilities	15,895	
Re-grossing of deferred tax assets and deferred tax liabilities as required under MAS Notice 637	138	
Other debt securities	27,745	
Subordinated term debts	3,102	
of which: Instruments issued and eligible for recognition as T2 Capital under transitional arrangements	2,212	i
of which: Instruments issued and eligible for recognition as T2 Capital	645	j
TOTAL LIABILITIES	434,600	
NET ASSETS	46,970	

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4.1 Financial Statements and Regulatory Scope of Consolidation (continued)

In \$ millions	31 Dec 2016	
	Amount	Cross Reference to Section 4.2
EQUITY		
Share capital	10,670	
of which: Amount eligible as CET1	10,899	k
of which: Treasury shares	(229)	l
Other equity instruments	1,812	m
Other reserves	4,322	n
of which: Cash flow hedge reserve	19	o
Revenue reserves	27,805	p
of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk	50	q
SHAREHOLDERS' FUNDS	44,609	
Non-controlling interests	2,361	
of which: Instruments issued and eligible for recognition as AT1 Capital under transitional arrangements	1,949	r
of which: Minority interest eligible as CET1 Capital under transitional arrangements	32	s
TOTAL EQUITY	46,970	

Key:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

T2: Tier 2

PE/VC: Private Equity/Venture Capital

⁽¹⁾ Not adjusted for subsequent share of losses or impairment losses.

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4.2 Capital Adequacy and Reconciliation of Regulatory Capital to the Balance Sheet

The following disclosure is made according to the template prescribed in MAS Notice 637 Annex 11E. The column "Amount" shows the amounts used in the computation of the capital adequacy ratios. The column "Amount subject to Pre-Basel III Treatment" shows the amount of each regulatory adjustment that is subject to the treatment specified in the previous capital rules (i.e., according to the cancelled MAS Notice 637 dated 14 December 2007) for the duration of the Basel III transition period. Each of these amounts is taken into the computation of the capital adequacy ratios during the transition period under rows 41C and 56C, as the case may be. For example, during the year 2016, 40% of the regulatory adjustment (i.e., capital deduction) for goodwill is to be taken against Additional Tier 1 (c.f., row 41C) and 60% is to be taken against Common Equity Tier 1 (c.f., row 8). Each 1 January, up to 1 January 2018, the regulatory adjustment to be taken against Common Equity Tier 1 in the first instance (c.f. row 8) increases by 20 percentage points.

The alphabetic cross-references in the column "Cross Reference to Section 4.1" relate to those in reconciliation of the balance sheet in Section 4.1.

Row 64 "Bank-specific buffer requirement" and row 68 "Common Equity Tier 1 available to meet buffers" are not directly comparable. Row 64 is the sum of row 69 and rows 65 to 67. As required, row 68 is the CET1 CAR, less the minimum CET1 CAR requirement (Row 69) and any CET1 CAR used to meet the Tier 1 and Total capital requirements, expressed as a percentage of risk weighted assets.

MAS Notice 637 specifies the computation of the amount of provisions that may be recognised in Tier 2 capital. General allowances in respect of assets under the standardised approach for credit risk are eligible (row 76), subject to a cap of 1.25% of risk-weighted assets under the standardised approach for credit risk (row 77). General and specific allowances in respect of assets under the internal ratings-based approach exceeding expected loss of these assets are eligible (row 78), subject to a cap of 0.6% of risk-weighted assets under the internal ratings-based approach for credit risk (row 79).

In \$ millions		31 Dec 2016		
		Amount	Amount subject to Pre-Basel III Treatment	Cross Reference to Section 4.1
Common Equity Tier 1 capital: instruments and reserves				
1	Paid-up ordinary shares and share premium (if applicable)	10,899		k
2	Retained earnings	27,805		p
3 [#]	Accumulated other comprehensive income and other disclosed reserves	4,093		l+n
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-		
5	Minority interest that meets criteria for inclusion	32	(13)	s
6	Common Equity Tier 1 capital before regulatory adjustments	42,829		
Common Equity Tier 1 capital: regulatory adjustments				
7	Valuation adjustment pursuant to Part VIII of MAS Notice 637	7		
8	Goodwill, net of associated deferred tax liability	3,078	2,052	f+g
9 [#]	Intangible assets, net of associated deferred tax liability	1	1	h
10 [#]	Deferred tax assets that rely on future profitability	283	188	c+d
11	Cash flow hedge reserve	12	7	o
12	Shortfall of TEP relative to EL under IRBA	-	-	
13	Increase in equity capital resulting from securitisation transactions	-	-	
14	Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk	30	20	q

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In \$ millions		31 Dec 2016		
		Amount	Amount subject to Pre-BaseI III Treatment	Cross Reference to Section 4.1
15	Defined benefit pension fund assets, net of associated deferred tax liability	-		
16	Investments in own shares	-		
17	Reciprocal cross-holdings in ordinary shares of financial institutions	-		
18	Capital investments in ordinary shares of unconsolidated financial institutions in which Reporting Bank does not hold a major stake	-		
19 [#]	Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries) (amount above 10% threshold)	-	-	
20 [#]	Mortgage servicing rights (amount above 10% threshold)			
21 [#]	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)			
22	Amount exceeding the 15% threshold	-		
23 [#]	of which: investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)	-		
24 [#]	of which: mortgage servicing rights			
25 [#]	of which: deferred tax assets arising from temporary differences			
26	National specific regulatory adjustments	2		
26A	PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments	1	1	e
26B	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	1	1	a
26C	Capital deficits in subsidiaries and associates that are regulated financial institutions	-	-	
26D	Any other items which the Authority may specify	-		
27	Regulatory adjustments applied in calculation of CET1 Capital due to insufficient AT1 Capital to satisfy required deductions	-		
28	Total regulatory adjustments to CET1 Capital	3,413		
29	Common Equity Tier 1 capital (CET1)	39,416		
Additional Tier 1 capital: instruments				
30	AT1 capital instruments and share premium (if applicable)	1,812		m
31	of which: classified as equity under the Accounting Standards	1,812		
32	of which: classified as liabilities under the Accounting Standards	-		
33	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-		
34	AT1 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	1,949		r
35	of which: instruments issued by subsidiaries subject to phase out	1,949		
36	Additional Tier 1 capital before regulatory adjustments	3,761		
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own AT1 capital instruments	-		
38	Reciprocal cross-holdings in AT1 capital instruments of financial institutions	-		
39	Capital investments in AT1 capital instruments of unconsolidated financial institutions in which Reporting Bank does not hold a major stake	-		

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		31 Dec 2016		
In \$ millions		Amount	Amount subject to Pre-BaseI III Treatment	Cross Reference to Section 4.1
40 [#]	Investments in AT1 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)	-	-	
41	National specific regulatory adjustments	2,268		
41A	PE/VC investments in the form of AT1 capital instruments, in excess of 20% of such capital investments	-	-	
41B	Any other items which the Authority may specify	-		
41C	Regulatory adjustments applied to AT1 Capital in respect of amounts subject to pre-BaseI III treatment	2,268		
	of which: Goodwill, net of associated deferred tax liability	2,052		
	of which: Intangible assets, net of associated deferred tax liability	1		
	of which: Deferred tax assets that rely on future profitability	188		
	of which: Cash flow hedge reserve	7		
	of which: Increase in equity capital resulting from securitisation transactions	-		
	of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk	20		
	of which: Shortfall of TEP relative to EL under IRBA	-		
	of which: PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments	-		
	of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	-		
	of which: Capital deficits in subsidiaries and associates that are regulated financial institutions	-		
	of which: Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries)	-		
	of which: PE/VC investments in the form of Tier 2 capital instruments, in excess of 20% of such capital investments	-		
	of which: Investments in Tier 2 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries)	-		
42	Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required deductions	-		
43	Total regulatory adjustments to Additional Tier 1 capital	2,268		
44	Additional Tier 1 capital (AT1)	1,493		
45	Tier 1 capital (T1 = CET1 + AT1)	40,909		
Tier 2 capital: instruments and provisions				
46	Tier 2 capital instruments and share premium (if applicable)	645		j
47	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-		
48	Tier 2 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	2,212		i
49	of which: instruments issued by subsidiaries subject to phase out	2,212		
50	Provisions	1,263		b
51	Tier 2 capital before regulatory adjustments	4,120		

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31 Dec 2016

		Amount	Amount subject to Pre-Basel III Treatment	Cross Reference to Section 4.1
In \$ millions				
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments	-		
53	Reciprocal cross-holdings in Tier 2 capital instruments of financial institutions	-		
54	Capital investments in Tier 2 capital instruments of unconsolidated financial institutions in which Reporting Bank does not hold a major stake	-		
55 [#]	Investments in Tier 2 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)	-	-	
56	National specific regulatory adjustments	2		
56A	PE/VC investments in the form of Tier 2 capital instruments, in excess of 20% of such capital investments	-	-	
56B	Any other items which the Authority may specify	-		
56C	Regulatory adjustments applied to Tier 2 Capital in respect of amounts subject to pre-Basel III treatment	2		
	of which: Shortfall of TEP relative to EL under IRBA	-		
	of which: PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments	1		
	of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	1		
	of which: Capital deficits in subsidiaries and associates that are regulated financial institutions	-		
	of which: Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries)	-		
	of which: PE/VC investments in the form of AT1 capital instruments, in excess of 20% of such capital investments	-		
	of which: Investments in AT1 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries)	-		
57	Total regulatory adjustments to Tier 2 capital	2		
58	Tier 2 capital (T2)	4,118		
59	Total capital (TC = T1 + T2)	45,027		
60	Total risk weighted assets	278,618		
Capital ratios (as a percentage of risk-weighted assets)				
61	Common Equity Tier 1 CAR	14.1%		
62	Tier 1 CAR	14.7%		
63	Total CAR	16.2%		
64	Bank-specific buffer requirement	7.2%		
65	of which: capital conservation buffer requirement	0.625%		
66	of which: bank specific countercyclical buffer requirement	0.1%		
67	of which: G-SIB buffer requirement (if applicable)	-		
68	Common Equity Tier 1 available to meet buffers	6.2%		
National minima				
69	Minimum CET1 CAR	6.5%		
70	Minimum Tier 1 CAR	8.0%		
71	Minimum Total CAR	10.0%		

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		31 Dec 2016		
In \$ millions		Amount	Amount subject to Pre-BaseI III Treatment	Cross Reference to Section 4.1
Amounts below the thresholds for deduction (before risk weighting)				
72	Investments in ordinary shares, AT1 capital and Tier 2 capital of unconsolidated financial institutions in which the bank does not hold a major stake	2,958		
73	Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)	880		
74	Mortgage servicing rights (net of related tax liability)	-		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-		
Applicable caps on the inclusion of provisions in Tier 2				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	520		
77	Cap on inclusion of provisions in Tier 2 under standardised approach	422		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	841		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	1,029		
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements			
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instruments subject to phase out arrangements	2,498		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-		
84	Current cap on T2 instruments subject to phase out arrangements	3,303		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-		

For regulatory adjustments, deductions from capital are reported as positive numbers and additions to capital are reported as negative numbers.

Items marked with a hash [#] are elements where a more conservative definition has been applied to MAS Notice 637 relative to those set out under the Basel III capital standards.

Deferred tax assets relating to temporary differences in excess of specified thresholds c.f. row 21 and 25 are to be deducted under the Basel Committee capital rules (paragraph 69). Under MAS Notice 637, they are deducted in total. If Basel Committee capital rules were to be applied, eligible capital would have been \$0.5 billion higher and risk-weighted assets \$1.1 billion higher.

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4.3 Main Features of Capital Instruments

The following disclosures are made solely pursuant to the requirements of MAS Notice 637 Annex 11D. They are not a summary of the terms, do not purport to be complete, and should be read in conjunction with, and are qualified in their entirety by, the relevant transaction documents available at <http://www.dbs.com/investor/capital-disclosures.html>.

21 Feb 2017		DBS Group Holdings Ltd Ordinary Shares	SS\$805,000,000 4.70% Non-Cumulative Non-Convertible Perpetual Capital Securities First Callable in 2019
1	Issuer	DBS Group Holdings Ltd	DBS Group Holdings Ltd
2	Unique identifier	SGX Name: DBS GROUP HOLDINGS LTD ISIN Code: SG1L01001701	SGX Name: DBSGrp4.7%PerCapSec S ISIN Code: SG59H0999851
3	Governing law(s) of the instrument	Singapore	Singapore
Regulatory treatment			
4	Transitional Basel III rules	Common Equity Tier 1	Additional Tier 1
5	Post-transitional Basel III rules	Common Equity Tier 1	Additional Tier 1
6	Eligible at Solo/Group/Group & Solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Non-Cumulative Non-Convertible Perpetual Capital Securities
8	Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	SS\$10,899 million	SS\$803 million
9	Par value of instrument (as of most recent reporting date, unless otherwise stated)	NA	SS\$805 million
10	Accounting classification	Shareholders' equity	Shareholders' equity
11	Original date of issuance	9 Mar 1999	3 Dec 2013
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date	NA	03 Jun 2019
	Contingent call dates	NA	Change of Qualification Event, or Tax Event
	Redemption amount	NA	Principal amount together with, subject to certain conditions, accrued but unpaid Distributions
16	Subsequent call dates, if applicable	NA	Optional – Any date after 3 Jun 2019
Coupons/dividends			
17	Fixed or floating dividend/coupon	Discretionary dividend amount	Fixed to floating
18	Coupon rate and any related index	NA	4.70% p.a. up to 3 Jun 2019. 5Y SGD SOR plus 3.061% p.a. thereafter, reset every 5 years
19	Existence of a dividend stopper	NA	Yes
20	Fully discretionary, partially discretionally or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or incentive to redeem	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	No	Yes
31	If write-down, write-down trigger(s)	NA	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS
32	If write-down, full or partial	NA	Fully or partially
33	If write-down, permanent or temporary	NA	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Immediately subordinated to Additional Tier 1 capital instruments	Immediately subordinated to Tier 2 capital instruments
36	Non-compliant transitioned features	No	No
37	If yes, specify non-complaint features	NA	NA

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4.3 Main Features of Capital Instruments (continued)

21 Feb 2017		US\$750,000,000 3.60% Non-Cumulative Non-Convertible Perpetual Capital Securities First Callable in 2021	S\$1,500,000,000 5.75% Non-Cumulative, Non-Convertible, Non-Voting Guaranteed Preference Shares Callable with Step-Up in 2018
1	Issuer	DBS Group Holdings Ltd	DBS Capital Funding II Corporation
2	Unique identifier	SGX Name: DBSGrp 3.6%PerCapSec S ISIN Code: XS1484844656	SGX Name: DBSCAFUNDIICORP\$1.5B5.75%NCPS ISIN Code: SG7R06940349
3	Governing law(s) of the instrument	England: Trust Deed Singapore: Subordination	Cayman Islands: Preference Shares Singapore: Subordinated Guarantee
Regulatory treatment			
4	Transitional Basel III rules	Additional Tier 1	Additional Tier 1
5	Post-transitional Basel III rules	Additional Tier 1	Ineligible
6	Eligible at Solo/Group/Group & Solo	Group	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Non-Cumulative Non-Convertible Perpetual Capital Securities	Preference Shares
8	Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	S\$1,009 million	S\$1,272 million
9	Par value of instrument (as of most recent reporting date, unless otherwise stated)	US\$750 million	S\$1,500 million
10	Accounting classification	Shareholders' equity	Non-controlling interest in consolidated subsidiary
11	Original date of issuance	7 Sep 2016	27 May 2008
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date	07 Sep 2021	15 Jun 2018
	Contingent call dates	Change of Qualification Event, or Tax Event	Change of Qualification Event, or Tax Event
	Redemption amount	Principal amount together with, subject to certain conditions, accrued but unpaid Distributions	Liquidation Preference together with, subject to certain limitations and qualifications, accrued but unpaid Dividends
16	Subsequent call dates, if applicable	Optional - Any Distribution Payment Date after 7 Sep 2021	Optional - Any Dividend Date after 15 Jun 2018
Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed to floating	Fixed to floating
18	Coupon rate and any related index	3.60% p.a. up to 7 Sep 2021. 5Y USD Swap Rate plus 2.39% p.a. thereafter, reset every 5 years	5.75% p.a. up to 15 Jun 2018. 3M SGD SOR plus 3.415% p.a. determined quarterly thereafter
19	Existence of a dividend stopper	Yes	Yes
20	Fully discretionary, partially discretionally or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or incentive to redeem	No	Yes
22	Noncumulative or cumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	Yes	No
31	If write-down, write-down trigger(s)	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS	NA
32	If write-down, full or partial	Fully or partially	NA
33	If write-down, permanent or temporary	Permanent	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Immediately subordinated to Tier 2 capital instruments	Immediately subordinated to Tier 2 capital instruments
36	Non-compliant transitioned features	No	Yes
37	If yes, specify non-complaint features	NA	(i) has a step-up (ii) has no loss-absorbency at point of non-viability

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4.3 Main Features of Capital Instruments (continued)

21 Feb 2017		S\$800,000,000 4.70% Non-Cumulative, Non-Convertible, Non-Voting Preference Shares Callable in 2020	S\$250,000,000 3.80% Subordinated Notes due 2028 Callable in 2023 issued pursuant to the US\$30,000,000,000 Global Medium Term Note Programme
1	Issuer	DBS Bank Ltd.	DBS Group Holdings Ltd
2	Unique identifier	SGX Name: DBS S\$800M 4.7% NCPS ISIN Code: SG2C54964409	SGX Name: DBS GRP S\$250M3.8% N280120 ISIN Code: SG71A5000002
3	Governing law(s) of the instrument	Singapore	Singapore
Regulatory treatment			
4	Transitional Basel III rules	Additional Tier 1	Tier 2
5	Post-transitional Basel III rules	Ineligible	Tier 2
6	Eligible at Solo/Group/Group & Solo	Solo and Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Preference Shares	Subordinated Notes
8	Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	S\$677 million	S\$252 million
9	Par value of instrument (as of most recent reporting date, unless otherwise stated)	S\$800 million	S\$250 million
10	Accounting classification	Non-controlling interest in consolidated subsidiary	Liability - amortised cost
11	Original date of issuance	22 Nov 2010	20 Jan 2016
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	No maturity	20 Jan 2028
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date	22 Nov 2020	20 Jan 2023
	Contingent call dates	Change of Qualification Event ⁽¹⁾ , or Tax Event	Change of Qualification Event, or Tax Event
	Redemption amount	Liquidation Preference together with, subject to certain limitations and qualifications, accrued but unpaid Dividends	Principal amount together with accrued but unpaid interest
16	Subsequent call dates, if applicable	Optional – Any date after 22 Nov 2020	Optional – Any Interest Payment Date after 20 Jan 2023
Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	4.70% p.a.	3.80% p.a. up to 20 Jan 2023. 5Y SGD SOR plus 1.10% p.a. thereafter, 1-time reset
19	Existence of a dividend stopper	Yes	No
20	Fully discretionary, partially discretionally or mandatory	Fully discretionary	Mandatory
21	Existence of step up or incentive to redeem	No	No
22	Noncumulative or cumulative	Noncumulative	Cumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	No	Yes
31	If write-down, write-down trigger(s)	NA	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS
32	If write-down, full or partial	NA	Fully or partially
33	If write-down, permanent or temporary	NA	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Immediately subordinated to Tier 2 capital instruments	Immediately subordinated to senior creditors
36	Non-compliant transitioned features	Yes	No
37	If yes, specify non-complaint features	Has no loss-absorbency at point of non-viability	NA

⁽¹⁾ Change of Qualification Event has occurred and is continuing pursuant to the terms and conditions of the instrument, as the instrument does not qualify in full as capital under MAS Notice 637 with effect from 1 January 2017.

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4.3 Main Features of Capital Instruments (continued)

21 Feb 2017		JPY10,000,000,000 0.918% Subordinated Notes due 2026 issued pursuant to the US\$30,000,000,000 Global Medium Term Note Programme	HK\$1,500,000,000 3.24% Subordinated Notes due 2026 Callable in 2021 issued pursuant to the US\$30,000,000,000 Global Medium Term Note Programme
1	Issuer	DBS Group Holdings Ltd	DBS Group Holdings Ltd
2	Unique identifier	ISIN Code: XS1376555865	SGX Name: DBS GRP HKD1.5B3.24% N260419 ISIN Code: XS1397782860
3	Governing law(s) of the instrument	Singapore	Singapore
Regulatory treatment			
4	Transitional Basel III rules	Tier 2	Tier 2
5	Post-transitional Basel III rules	Tier 2	Tier 2
6	Eligible at Solo/Group/Group & Solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Notes	Subordinated Notes
8	Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	S\$123 million	S\$270 million
9	Par value of instrument (as of most recent reporting date, unless otherwise stated)	JPY10,000 million	HK\$1,500 million
10	Accounting classification	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	8 Mar 2016	19 Apr 2016
12	Perpetual or dated	Dated	Dated
13	Original maturity date	8 Mar 2026	19 Apr 2026
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date	NA	19 Apr 2021
	Contingent call dates	Change of Qualification Event, or Tax Event	Change of Qualification Event, or Tax Event
	Redemption amount	Principal amount together with accrued but unpaid interest	Principal amount together with accrued but unpaid interest
16	Subsequent call dates, if applicable	NA	Optional – Any Interest Payment Date after 19 Apr 2021
Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	0.918% p.a.	3.24% p.a. up to 19 Apr 2021. 5Y HKD Swap Rate plus 1.90% p.a. thereafter, 1-time reset
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionally or mandatory	Mandatory	Mandatory
21	Existence of step up or incentive to redeem	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	Yes	Yes
31	If write-down, write-down trigger(s)	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS	Contractual write-down. The earlier of: (i) the MAS notifying the Issuer in writing that it is of the opinion that a Write-off is necessary, without which the Issuer or the DBS Group would become non-viable; and (ii) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Issuer or the DBS Group would have become non-viable, as determined by the MAS
32	If write-down, full or partial	Fully or partially	Fully or partially
33	If write-down, permanent or temporary	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Immediately subordinated to senior creditors	Immediately subordinated to senior creditors
36	Non-compliant transitioned features	No	No
37	If yes, specify non-complaint features	NA	NA

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4.3 Main Features of Capital Instruments (continued)

21 Feb 2017		S\$1,000,000,000 3.30% Subordinated Notes due 2022 Callable in 2017 issued pursuant to the US\$30,000,000,000 Global Medium Term Note Programme	US\$750,000,000 3.625% Subordinated Notes due 2022 Callable in 2017 issued pursuant to the US\$30,000,000,000 Global Medium Term Note Programme
1	Issuer	DBS Bank Ltd.	DBS Bank Ltd.
2	Unique identifier	SGX Name: DBS BK S\$1B N3.3%20221 ISIN Code: SG6T16978999	Regulation S SGX Name: DBS BK US\$750M3.625% N220921R ISIN: US24023DAC83 Rule 144A SGX Name: DBS BK US\$750M3.625% N220921A ISIN: US24023CAC01
3	Governing law(s) of the instrument	Singapore	England: Trust Deed Singapore: Subordination
Regulatory treatment			
4	Transitional Basel III rules	Tier 2	Tier 2
5	Post-transitional Basel III rules	Ineligible	Ineligible
6	Eligible at Solo/Group/Group & Solo	Solo and Group	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Notes	Subordinated Notes
8	Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	S\$835 million	S\$893 million
9	Par value of instrument (as of most recent reporting date, unless otherwise stated)	Fully redeemed on 21 Feb 2017	US\$750 million
10	Accounting classification	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	21 Feb 2012	21 Mar 2012
12	Perpetual or dated	Dated	Dated
13	Original maturity date	21 Feb 2022	21 Sep 2022
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date	21 Feb 2017	21 Sep 2017
	Contingent call dates	Change of Qualification Event, or Tax Event	Change of Qualification Event, or Tax Event
	Redemption amount	Principal amount together with accrued but unpaid interest	Principal amount together with accrued but unpaid interest
16	Subsequent call dates, if applicable	Optional – Any Interest Payment Date after 21 Feb 2017	Optional – Any Interest Payment Date after 21 Sep 2017
Coupons/dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	3.30% p.a. up to 21 Feb 2017. 5Y SGD SOR plus 2.147% p.a. thereafter, 1-time reset	3.625% p.a. up to 21 Sep 2017. 5Y USD Swap Rate plus 2.229% p.a. thereafter, 1-time reset
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionally or mandatory	Mandatory	Mandatory
21	Existence of step up or incentive to redeem	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	No	No
31	If write-down, write-down trigger(s)	NA	NA
32	If write-down, full or partial	NA	NA
33	If write-down, permanent or temporary	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Immediately subordinated to senior creditors	Immediately subordinated to senior creditors
36	Non-compliant transitioned features	Yes	Yes
37	If yes, specify non-complaint features	Has no loss-absorbency at point of non-viability	Has no loss-absorbency at point of non-viability

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4.3 Main Features of Capital Instruments (continued)

21 Feb 2017		S\$1,000,000,000 3.10% Subordinated Notes due 2023 Callable in 2018 issued pursuant to the US\$30,000,000,000 Global Medium Term Note Programme
1	Issuer	DBS Bank Ltd.
2	Unique identifier	SGX Name: DBS BK S\$1B N3.1%230214 ISIN Code: SG6W11984344
3	Governing law(s) of the instrument	Singapore
Regulatory treatment		
4	Transitional Basel III rules	Tier 2
5	Post-transitional Basel III rules	Ineligible
6	Eligible at Solo/Group/Group & Solo	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Notes
8	Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	S\$484 million
9	Par value of instrument (as of most recent reporting date, unless otherwise stated)	S\$508.25 million Please click here for SGX announcement
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	14 Aug 2012
12	Perpetual or dated	Dated
13	Original maturity date	14 Feb 2023
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date	14 Feb 2018
	Contingent call dates	Change of Qualification Event, or Tax Event
	Redemption amount	Principal amount together with accrued but unpaid interest
16	Subsequent call dates, if applicable	Optional – Any Interest Payment Date after 14 Feb 2018
Coupons/dividends		
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	3.10% p.a. up to 14 Feb 2018. 5Y SGD SOR plus 2.085% p.a. thereafter, 1-time reset
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionally or mandatory	Mandatory
21	Existence of step up or incentive to redeem	No
22	Noncumulative or cumulative	Cumulative
23	Convertible or non-convertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Immediately subordinated to senior creditors
36	Non-compliant transitioned features	Yes
37	If yes, specify non-complaint features	Has no loss-absorbency at point of non-viability

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5 LEVERAGE RATIO

5.1 Leverage Ratio

	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
Capital and Total exposures (In \$ millions)				
Tier 1 capital	40,909	40,468	38,730	38,314
Total exposures	532,674	519,221	500,732	490,509
Leverage Ratio (%)	7.7	7.8	7.7	7.8

Leverage ratio as at 31 December 2016 decreased by 0.1 percentage point to 7.7% as compared to 30 September 2016. This is due to an increase in total exposures contributed mainly by an increase in loans and advances to customers (see Financial Performance Summary - Audited Balance Sheets).

5.2 Components of Leverage Ratio

The following tables are disclosed in accordance with the templates prescribed in MAS Notice 637 Annex 11F and 11G.

Leverage Ratio Summary Comparison Table

		31 Dec 2016
		Amount
		(In \$ millions)
Item		
1	Total consolidated assets as per published financial statements	481,570
2	Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet in accordance with the Accounting Standards but excluded from the calculation of the exposure measure	-
4	Adjustment for derivative transactions	5,040
5	Adjustment for SFTs	1,097
6	Adjustment for off-balance sheet items	50,598
7	Other adjustments	(5,631)
8	Exposure measure	532,674

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Leverage Ratio Common Disclosure Template

		31 Dec 2016
		Amount
		(In \$ millions)
Item		
Exposure measures of on-balance sheet items		
1	On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs)	447,545
2	Asset amounts deducted in determining Tier 1 capital	(5,631)
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	441,914
Derivative exposure measures		
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	11,572
5	Potential future exposure associated with all derivative transactions	15,953
6	Gross-up for derivative collaterals provided where deducted from the balance sheet assets in accordance with the Accounting Standards	-
7	Deductions of receivables for the cash portion of variation margins provided in derivative transactions	-
8	CCP leg of trade exposures excluded	-
9	Adjusted effective notional amount of written credit derivatives	3,272
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-
11	Total derivative exposure measures	30,797
SFT exposure measures		
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	8,268
13	Eligible netting of cash payables and cash receivables	-
14	SFT counterparty exposures	1,097
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-
16	Total SFT exposure measures	9,365
Exposure measures of off-balance sheet items		
17	Off-balance sheet items at notional amount	258,047
18	Adjustments for calculation of exposure measures of off-balance sheet items	(207,449)
19	Total exposure measures of off-balance sheet items	50,598
Capital and Total exposures		
20	Tier 1 capital	40,909
21	Total exposures	532,674
Leverage Ratio		
22	Leverage Ratio	7.7%

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

6 EXPOSURES AND RISK-WEIGHTED ASSETS

In \$ millions	31 Dec 2016	
	Exposures ^(a)	RWA ^(b)
Credit risk:		
Advanced IRBA		
Retail exposures		
Residential mortgage exposures	63,033	4,910
Qualifying revolving retail exposures	17,490	5,680
Other retail exposures	2,251	295
Foundation IRBA		
Wholesale exposures		
Sovereign exposures	52,153	5,709
Bank exposures	69,288	17,947
Corporate exposures ^(c)	205,620	108,340
Specialised lending ("SL") exposures	37,637	32,552
IRBA for equity exposures	1,898	6,422
IRBA for securitisation exposures	2	#
Total IRBA	449,372	181,855
SA		
Residential mortgage exposures	6,911	2,674
Regulatory retail exposures	2,405	1,816
Multilateral development bank exposures	6,385	3
Corporate exposures	11,225	10,987
Commercial real estate exposures	1,253	1,290
Other exposures		
Real estate, premises, equipment and other fixed assets	1,575	1,575
Exposures to individuals	12,227	12,242
Others	7,177	2,663
Securitisation exposures	1,334	481
Total SA	50,492	33,731
Exposures to Central Counterparties	7,637	889
Credit Valuation Adjustment		7,339
RWA arising from Regulatory Adjustment ^(d)		2,200
Total credit risk	507,501	226,014
Market risk:		
Interest rate risk		23,776
Equity position risk		415
Foreign exchange risk		9,752
Commodity risk		94
Total market risk		34,037
Operational risk:		
Operational risk		18,567
Total RWA		278,618

^(a) Exposures comprise on-balance sheet amounts and off-balance sheet amounts. Off-balance sheet amounts are converted into exposures using applicable conversion factors under MAS Notice 637. Exposures incorporate the effects of credit risk mitigation as permitted under MAS Notice 637.

^(b) RWA under IRBA are stated inclusive of the IRBA scaling factor of 1.06 where applicable.

^(c) Includes corporate small business exposures.

^(d) Relates to investments in unconsolidated major stake companies which are below the threshold amount for deduction and are risk-weighted pursuant to paragraph 6.1.3(p)(iii) of MAS Notice 637.

Amount below \$0.5m.

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7 CREDIT RISK

7.1 Credit Risk assessed using Internal Ratings-Based Approach

Basel Asset Class ^(a)	31 Dec 2016					
	Exposures (In \$ millions)	Average PD ^(b) (%)	Average PD (exc def) ^(b) (%)	Average LGD ^(c) (%)	Risk weight ^(d) (%)	RWA (In \$ millions)
Advanced IRBA						
Retail exposures						
Residential mortgage exposures	63,033	0.69	0.51	12	8	4,910
Qualifying revolving retail exposures	17,490	2.21	1.42	92	33	5,680
Other retail exposures	2,251	0.72	0.55	25	13	295
Foundation IRBA						
Wholesale exposures						
Sovereign exposures	52,153	0.05	0.05	42	11	5,709
Bank exposures	69,288	0.17	0.17	44	26	17,947
Corporate exposures	205,620	2.52	0.85	43	54	108,340
Total	409,835	1.50	0.60	40	35	142,881

^(a) Excludes SL and Securitisation exposures.

^(b) Average PD refers to exposure-weighted average probability of default including defaulted exposures while Average PD (exc def) refers to exposure-weighted average probability of default excluding defaulted exposures.

^(c) Average LGD refers to exposure-weighted average loss given default.

^(d) Risk weight means exposure-weighted average risk weight inclusive of IRBA scaling factor and excluding defaulted exposures.

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7.1.1 Retail Exposures

Probability of Default ("PD") Range	31 Dec 2016				
	Exposures ^(a) (In \$ millions)	Average PD ^(b) (%)	Average LGD ^(b) (%)	Risk weight ^(c) (%)	RWA (In \$ millions)
(A) Residential mortgage exposures					
0.00 to < 0.15	14,202	0.14	11	4	505
0.15 to < 0.25	7,236	0.19	12	5	354
0.25 to < 0.50	31,758	0.28	12	6	1,999
0.50 to < 0.75	880	0.63	13	13	114
0.75 to < 2.50	8,024	1.29	12	19	1,545
2.50 to < 10.00	546	4.21	12	37	202
10.00 to < 100.00	274	24.77	11	70	191
Default	113	100.00	26	-	-
Total	63,033	0.69	12	8	4,910
(B) Qualifying revolving retail exposures					
0.00 to < 0.15	6,900	0.13	95	7	506
0.15 to < 0.25	3,431	0.20	91	10	353
0.25 to < 0.50	1,355	0.42	85	17	235
0.50 to < 0.75	-	-	-	-	-
0.75 to < 2.50	3,797	1.55	93	53	2,007
2.50 to < 10.00	1,361	4.40	88	101	1,377
10.00 to < 100.00	505	21.05	92	238	1,202
Default	141	100.00	93	-	-
Total	17,490	2.21	92	33	5,680
(C) Other retail exposures					
0.00 to < 0.15	-	-	-	-	-
0.15 to < 0.25	1,448	0.16	27	10	142
0.25 to < 0.50	573	0.28	19	10	57
0.50 to < 0.75	3	0.64	38	33	1
0.75 to < 2.50	180	1.16	31	36	64
2.50 to < 10.00	-	-	-	-	-
10.00 to < 100.00	43	14.52	35	72	31
Default	4	100.00	46	-	-
Total	2,251	0.72	25	13	295

(D) Undrawn commitments for retail exposures

In \$ millions	31 Dec 2016	
	Notional amount	Exposures ^(d)
Residential mortgage exposures	5,929	5,929
Qualifying revolving retail exposures	23,454	12,994
Total	29,383	18,923

^(a) Includes undrawn commitments set out in table (D) below.

^(b) Average PD and Average LGD are the exposure-weighted average probability of default and exposure-weighted average loss given default respectively.

^(c) Risk weight means exposure-weighted average risk weight inclusive of IRBA scaling factor and excluding defaulted exposures.

^(d) Exposures represent internal estimates of exposure-at-default.

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7.1.2 Wholesale Exposures

PD Range	31 Dec 2016			
	Exposures (In \$ millions)	Average LGD ^(a) (%)	Risk weight ^(b) (%)	RWA (In \$ millions)
(A) Sovereign exposures				
0.00 to < 0.15	47,392	42	6	3,004
0.15 to < 0.25	-	-	-	-
0.25 to < 0.50	4,670	45	57	2,657
0.50 to < 0.75	-	-	-	-
0.75 to < 2.50	91	23	53	48
2.50 to < 10.00	-	-	-	-
10.00 to < 100.00	-	-	-	-
Total	52,153	42	11	5,709
(B) Bank exposures				
0.00 to < 0.15	49,884	44	16	7,842
0.15 to < 0.25	9	45	67	6
0.25 to < 0.50	15,515	41	45	7,047
0.50 to < 0.75	2	1	1	#
0.75 to < 2.50	3,792	42	77	2,934
2.50 to < 10.00	86	45	137	118
10.00 to < 100.00	-	-	-	-
Total	69,288	44	26	17,947
(C) Corporate exposures				
0.00 to < 0.15	62,436	44	18	11,481
0.15 to < 0.25	31,202	44	45	13,909
0.25 to < 0.50	43,192	44	53	22,975
0.50 to < 0.75	14,358	43	68	9,784
0.75 to < 2.50	38,338	38	86	32,855
2.50 to < 10.00	10,228	40	124	12,715
10.00 to < 100.00	2,406	41	192	4,621
Default	3,460	44	-	-
Total	205,620	43	54	108,340

^(a) Average LGD represents exposure-weighted average loss given default.

^(b) Risk weight means exposure-weighted average risk weight inclusive of IRBA scaling factor and excluding defaulted exposures.

Amount below \$0.5m.

(D) Specialised lending exposures

Category	31 Dec 2016		
	Exposures (In \$ millions)	Risk weight ^(a) (%)	RWA (In \$ millions)
Strong	16,296	65	10,567
Good	13,580	85	11,550
Satisfactory	6,890	122	8,399
Weak	768	265	2,036
Default	103	-	-
Total	37,637	87	32,552

^(a) Risk weight means exposure-weighted average risk weight inclusive of IRBA scaling factor and excluding defaulted exposures.

7.1.3 Comparison of Expected Loss ("EL") against Actual Loss

The following table sets out actual loss incurred in 2016 compared with EL reported for certain IRBA asset classes at December 2015.

In \$ millions	2015	2016
	Expected Loss	Actual Loss
Retail Exposures		
Residential mortgage exposures	32	2
Qualifying revolving retail exposures	142	54
Other retail exposures	5	3
Wholesale Exposures		
Sovereign exposures	10	-
Bank exposures	41	-
Corporate exposures (including SL)	939	938

EL is an estimate of expected future losses using IRBA model estimates of PD and Loss Given Default (LGD) parameters. Under the IRBA, PD estimates are required to be through-the-cycle and LGD estimates are on a downturn basis, floored at regulatory minima for retail exposures and based on supervisory estimates for wholesale exposures. Actual Loss is an accounting-based measure which includes net impairment allowances taken for accounts defaulting during the year and includes write-offs during the year for exposures included in the prior period EL measure. The two measures of losses are hence not directly comparable and it is not appropriate to use Actual Loss data to assess the performance of internal rating process or to undertake comparative trend analysis.

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7.2 Credit Risk assessed using Standardised Approach

In \$ millions	31 Dec 2016
	Exposures^(a)
Risk weights	
0%	10,243
20%	642
35%	6,383
50%	864
75%	2,733
100%	28,110
>100%	183
Total	49,158

^(a) Excludes securitisation exposures.

RWA based on assessments by recognised external credit assessment institutions ("ECAI")

In \$ millions	31 Dec 2016
	RWA^(b)
ECAI	
Fitch Ratings	11
Moody's Investors Services	53
Standard & Poor's Ratings Services	393
Total	457

^(b) An exposure may be rated by more than one ECAI. In such cases, only one of the ratings is used to compute RWA.

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7.3 Credit Risk Mitigation

The following table summarises the extent to which credit exposures in the respective asset classes are mitigated by eligible financial collateral, other eligible collateral and eligible credit protection after the application of the relevant supervisory haircuts:

In \$ millions	31 Dec 2016		
	Eligible financial collateral	Other eligible collateral	Eligible credit protection
Foundation IRBA			
Wholesale exposures			
Sovereign exposures	2,982	-	-
Bank exposures	2,673	-	1,699
Corporate exposures	7,577	23,078	16,097
Specialised lending exposures	79	-	-
Sub-total	13,311	23,078	17,796
SA			
Residential mortgage exposures	117	NA	-
Regulatory retail exposures	153	NA	86
Multilateral development bank exposures	61	NA	-
Commercial real estate exposures	76	NA	2
Corporate/ other exposures	10,847	NA	331
Sub-total	11,254	NA	419
Total	24,565	23,078	18,215

NA: Not applicable

The above table excludes exposures where collateral has been taken into account directly in the risk weights, such as the specialised lending and residential mortgage exposures. It also excludes exposures where the collateral, while generally considered as eligible under MAS Notice 637, does not meet the required legal/operational standards, e.g., legal certainty of enforcement in specific jurisdictions.

7.4 Counterparty Credit Risk-related Exposures
Notional amounts of Credit Derivatives

In \$ millions	31 Dec 2016	
	Protection Bought	Protection Sold
Own credit portfolio	7,281	6,892
Client intermediation activities	10,471	7,325
Total	17,752	14,217
Credit default swaps ("CDS")	13,246	14,217
Total return swaps	4,506	-
Total	17,752	14,217

Notional values of credit derivatives do not correspond to their economic risks.

Credit protection sold via credit derivatives is largely matched with the protection bought via credit derivatives or structured notes issued.

Credit equivalent amounts for Counterparty Exposures^(a)

In \$ millions	31 Dec 2016
Replacement cost	26,032
Potential future exposure	23,626
Gross credit equivalent amount	49,658
Comprising:	
Interest rate contracts	12,171
Credit derivative contracts	1,703
Equity contracts	238
Foreign exchange and gold contracts	34,588
Commodities and precious metals contracts	958
Gross credit equivalent amount	49,658
Less: Effect of netting arrangements	23,129
Credit equivalent amount after netting	26,529
Less: Collateral amount	
Eligible financial collateral	2,717
Other eligible collateral	63
Net credit equivalent amount	23,749

^(a) Exposures risk-weighted using IRBA and SA.

Counterparty credit exposure is mitigated by close-out netting agreements and collateral, the effects of which have been included in regulatory capital calculations where permitted.

8 EQUITY EXPOSURES UNDER INTERNAL RATINGS-BASED APPROACH

The Group's banking book equity exposures comprise investments held for yield and/or long-term capital gains as well as strategic stakes in entities held as part of growth initiatives and/or in support of business operations. These are classified and measured in accordance with the relevant Financial Reporting Standards and are categorised as either available-for-sale (AFS) investments or investments in associates. Refer to the Financial Statements in the Annual Report for the Group's accounting policies and entities in which the Group holds significant interests.

The Group has adopted the IRBA Simple Risk Weight Method to calculate regulatory capital for equity exposures in its banking book. The following table summarises the Group's equity exposures in the banking book:

	31 Dec 2016	
	Exposures ^(a) (In \$ millions)	Risk weight ^(b) (%)
Banking Book Equity Exposures		
Listed securities	1,533	318
Other equity holdings	365	424
Total	1,898	338

^(a) Includes commitments (e.g. underwriting commitments) and exposures to capital instruments of financial institutions that are deemed as equity under MAS Notice 637. Excludes major stake investments approved under Section 32 of the Banking Act that are not consolidated; these are not risk-weighted under the IRBA Simple Risk Weight Method but instead reported under RWA arising from Regulatory Adjustment in section 6.

^(b) Risk weight means exposure-weighted average risk weight inclusive of IRBA scaling factor.

Refer to section 10.7 for details of the Group's investments in available-for-sale equity securities and associates.

9 SECURITISATION EXPOSURES

The Group does not securitise its own assets nor provide implicit support for securitisation exposures held by the Group.

The Group's securitisation positions are recognised as financial assets pursuant to the Group's accounting policies and valued accordingly. Refer to the Financial Statements in the Annual Report on the Group's accounting policies.

Subject to MAS Notice 637 paragraph 7.1.11, securitisation exposures in the banking book are risk-weighted using either the SA or the IRBA Ratings-Based Method applying ratings from Fitch, Moody's and/or Standard & Poor's as the case may be, where available.

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The table below sets out the banking book securitisation exposures (net of specific allowances) held by the Group, analysed by risk-weighting approach, risk weights and exposure type:

Banking Book Securitisation Exposures

In \$ millions	31 Dec 2016		
	Total Exposures	RWA	
IRBA			
On-balance sheet ^(a)			
0% - 29%	Residential Mortgage-Backed Securities ("RMBS")	2	#
Total IRBA		2	#
SA			
On-balance sheet ^(a)			
0% - 29%	Asset-Backed Securities ("ABS")	1,118	224
30% - 100%	ABS	127	84
1250%	ABS	7	91
Off-balance sheet ^(b)			
30% - 100%	ABS	82	82
Total SA		1,334	481
Total		1,336 ^(c)	481

^(a) Includes undrawn commitments.

^(b) Comprises cross currency swaps.

^(c) The Group does not have resecuritisation exposures.

Amount below \$0.5m.

The table below sets out the trading book securitisation exposures held by the Group, analysed by risk weights^(d) and exposure type:

Trading Book Securitisation Exposures

In \$ millions	31 Dec 2016		
	Total Exposures	RWA	
On-balance sheet			
0% - 29%	RMBS, ABS	30	6
1250%	RMBS	7	84
Total		37	90

^(d) Risk weights refer to market risk capital requirements multiplied by 12.5.

10 OTHER FINANCIAL DATA

The following disclosures are prepared in accordance with Financial Reporting Standards, as modified by the requirements of Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by MAS. Refer to the Financial Statements in the Annual Report on the Group's accounting policies on the assessment of specific and general allowances on financial assets.

10.1 Credit Exposures

The following table shows the exposure to credit risk of on-balance sheet and off-balance sheet financial instruments, before taking into account any collateral held, other credit enhancements and netting arrangements. For on-balance sheet financial assets, the maximum credit exposure is the carrying amount. For contingent liabilities, the maximum exposure to credit risk is the amount the Group would have to pay if the instrument is called upon. For undrawn facilities, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

In \$ millions	Average FY2016 ^(a)	31 Dec 2016
Cash & balances with central banks (excluding cash on hand)	17,591	23,902
Government securities and treasury bills	35,865	33,401
Due from banks	31,516	30,018
Derivatives	22,732	25,757
Loans and advances to customers	286,791	301,516
Bank and corporate securities (excluding equity securities)	39,610	41,439
Other assets (excluding deferred tax assets)	11,025	10,709
Credit exposure	445,130	466,742
Contingent liabilities and commitments ^(b) (excluding operating lease and capital commitments)	245,086	258,047
Total credit exposure	690,216	724,789

^(a) Average FY2016 balances are computed based on quarter-end balances.

^(b) Includes commitments that are unconditionally cancellable at any time of \$193,016 million as at 31 December 2016.

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10.2 Major Credit Exposures by Geography and Industry

10.2.1 On-balance Sheet Credit Exposures

The following table shows the breakdown of major on-balance sheet credit exposures by geography and industry:

In \$ millions	31 Dec 2016					Total
	Government securities and treasury bills ^(b)	Due from banks	Derivatives	Bank and corporate debt securities	Loans and advances to customers (Gross)	
Analysed by geography ^(a)						
Singapore	11,983	569	2,352	13,310	145,025	173,239
Hong Kong	3,845	148	1,744	1,717	50,223	57,677
Rest of Greater China	2,440	15,576	2,903	2,595	43,060	66,574
South and Southeast Asia	3,964	2,817	1,498	4,580	27,389	40,248
Rest of the World	11,169	10,908	17,260	19,237	39,718	98,292
Total	33,401	30,018	25,757	41,439	305,415	436,030
Analysed by industry						
Manufacturing	-	-	457	2,632	31,235	34,324
Building and construction	-	-	414	3,215	58,358	61,987
Housing loans	-	-	-	-	64,465	64,465
General commerce	-	-	460	1,063	46,881	48,404
Transportation, storage and communications	-	-	669	2,509	31,964	35,142
Financial institutions, investment and holding companies	-	30,018	22,716	19,291	16,742	88,767
Government	33,401	-	-	-	-	33,401
Professionals and private individuals (excluding housing loans)	-	-	740	-	25,091	25,831
Others	-	-	301	12,729	30,679	43,709
Total	33,401	30,018	25,757	41,439	305,415	436,030

^(a) Based on country of incorporation of the issuer (for debt securities), counterparty (for derivatives), borrower (for loans) or the issuing bank in the case of bank backed export financing.

^(b) Comprise Singapore Government and Other Government securities and treasury bills.

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10.2.2 Contingent Liabilities and Commitments

The following table shows the breakdown of contingent liabilities and commitments ^(a) by geography and industry:

In \$ millions	31 Dec 2016
Analysed by geography ^(b)	
Singapore	105,141
Hong Kong	48,334
Rest of Greater China	22,533
South and Southeast Asia	25,750
Rest of the World	56,289
Total	258,047
Analysed by industry	
Manufacturing	42,718
Building and construction	23,436
Housing loans	7,155
General commerce	50,338
Transportation, storage and communications	13,933
Financial institutions, investment and holding companies	22,686
Professionals and private individuals (excluding housing loans)	75,615
Others	22,166
Total	258,047

^(a) Exclude operating lease and capital commitments.

^(b) Based on country of incorporation of counterparty (for contingent liabilities) or borrower (for commitments).

10.3 Loans and Advances to Customers (by Performing/Non-performing)

In \$ millions	31 Dec 2016
Performing loans	
Neither past due nor impaired	299,602
Past due but not impaired	1,397
Non-performing loans	4,416
Gross total	305,415

10.3.1 Past Due but not Impaired Loans

In \$ millions	31 Dec 2016			Total
	Less than 30 days past due	30 - 59 days past due	60 - 90 days past due	
Analysed by past due period and geography				
Singapore	557	136	45	738
Hong Kong	305	9	2	316
Rest of Greater China	127	8	6	141
South and Southeast Asia	77	7	9	93
Rest of the World	81	23	5	109
Total	1,147	183	67	1,397

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In \$ millions	31 Dec 2016			Total
	Less than 30 days past due	30 - 59 days past due	60 - 90 days past due	
Analysed by past due period and industry				
Manufacturing	87	3	4	94
Building and construction	45	1	1	47
Housing loans	370	76	23	469
General commerce	108	10	5	123
Transportation, storage and communications	104	24	9	137
Financial institutions, investment and holding companies	53	-	-	53
Professionals and private individuals (excluding housing loans)	298	65	24	387
Others	82	4	1	87
Total	1,147	183	67	1,397

10.3.2 Past Due Non-performing Assets

In \$ millions	31 Dec 2016			Total
	Less than 90 days past due	91 - 180 days past due	More than 180 days past due	
Analysed by past due period and geography				
Singapore	482	733	336	1,551
Hong Kong	87	92	343	522
Rest of Greater China	38	27	294	359
South and Southeast Asia	19	203	826	1,048
Rest of the World	48	17	232	297
Non-performing loans	674	1,072	2,031	3,777
Debt securities, contingent liabilities and others	24	143	207	374
Total	698	1,215	2,238	4,151
Analysed by past due period and industry				
Manufacturing	77	148	597	822
Building and construction	20	33	296	349
Housing loans	31	46	33	110
General commerce	26	106	555	687
Transportation, storage and communications	342	681	272	1,295
Financial institutions, investment and holding companies	22	-	52	74
Professionals and private individuals (excluding housing loans)	150	47	35	232
Others	6	11	191	208
Non-performing loans	674	1,072	2,031	3,777
Debt securities, contingent liabilities and others	24	143	207	374
Total	698	1,215	2,238	4,151

Refer to Full Year 2016 Financial Performance Summary for breakdown of non-performing assets by industry and geography.

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10.4 Movements in Specific and General Allowances

The table below shows the movements in specific and general allowances during the period for the Group:

In \$ millions	Balance at 1 Jan 2016	Charge/ (Write-back) to income statement	Net write-off during the year	Exchange and other movements	Balance at 31 Dec 2016
Specific allowances					
Loans and advances to customers	821	1,111	(788)	126	1,270
Investment securities	92	7	(19)	1	81
Properties and other fixed assets	27	-	-	1	28
Off-balance sheet credit exposures	10	122	-	(63)	69
Others	85	253	(95)	(17)	226
Total specific allowances	1,035	1,493	(902)	48	1,674
Total general allowances	3,222	(59)	-	3	3,166
Total allowances	4,257	1,434	(902)	51	4,840

Refer to Full Year 2016 Financial Performance Summary for breakdown of specific allowances by industry and geography (general allowances are established in accordance with the requirements of MAS Notice to Banks No. 612; there are no industry-specific or geography-specific considerations).

The table below shows the movements in specific allowances for loans and advances to customers during the period for the Group:

In \$ millions	Balance at 1 Jan 2016	Charge/ (Write-back) to income statement	Net write-off during the year	Exchange and other movements	Balance at 31 Dec 2016
Specific allowances					
Manufacturing	224	204	(143)	13	298
Building and construction	120	39	(26)	3	136
Housing loans	7	1	-	-	8
General commerce	157	239	(146)	21	271
Transportation, storage and communications	94	404	(261)	79	316
Financial institutions, investment and holding companies	60	13	(59)	1	15
Professionals and private individuals (excluding housing loans)	58	125	(116)	4	71
Others	101	86	(37)	5	155
Total specific allowances	821	1,111	(788)	126	1,270

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10.5 Total Assets by Residual Contractual Maturity

The table below analyses assets of the Group as at 31 December based on the remaining period as at balance sheet date to the contractual maturity date:

In \$ millions	31 Dec 2016			Total
	Up to 1 year	More than 1 year	No specific maturity	
Cash & balances with central banks	26,221	619	-	26,840
Government securities and treasury bills	12,647	20,754	-	33,401
Due from banks	28,722	1,296	-	30,018
Derivatives	25,757	-	-	25,757
Bank and corporate securities	6,321	35,118	3,978	45,417
Loans and advances to customers	140,675	160,841	-	301,516
Other assets	10,100	199	743	11,042
Associates	-	-	890	890
Properties and other fixed assets	-	-	1,572	1,572
Goodwill and intangibles	-	-	5,117	5,117
Total assets	250,443	218,827	12,300	481,570
Contingent liabilities and commitments ^(a) (excluding operating lease and capital commitments)	228,897	29,150	-	258,047
Total	479,340	247,977	12,300	739,617

^(a) Includes commitments that are unconditionally cancellable at any time of \$193,016 million.

10.6 Interest Rate Risk in the Banking Book

The economic value impact of changes in interest rates was simulated under various assumptions for the non-trading portfolio. The economic value changes were negative \$156 million and negative \$239 million based on parallel shifts to all yield curves of 100 basis points and 200 basis points respectively.

10.7 Equity Exposures in the Banking Book

In \$ millions	31 Dec 2016
	Carrying value
Available-for-sale ("AFS") equity securities	
Quoted	1,231
Unquoted	337
Total	1,568
Investments in associates	
Quoted	62
Unquoted	828
Total	890

The market value of the quoted associate amounted to \$60 million and was based on the last traded price on 1 September 2016 prior to its trading suspension.

For the full year 2016, realised gains arising from disposal of AFS equities amounted to \$18 million. As at 31 December 2016, the amount of revaluation reserves for AFS equity that have not been reflected in the Group's income statement, but have been included in Common Equity Tier 1 Capital is \$86 million.